

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. TOLSON

FILE PROCESSED FOR RELEASE
IN CIVIL DISCOVERY
DATE 6-8-78
SEE BURFILE 62-117455

DATE: May 12, 1959

FROM : MR. Q. TAMM

GENL.

SUBJECT: SECURITY INVESTIGATIONS OF INDIVIDUALS
COMMUNIST INDEX

- Tolson
- Belmont
- DeLoach
- McGuire
- Mohr
- Parsons
- Rosen
- Tamm
- Trotter
- W.C. Sullivan
- Tele. Room
- Holloman
- Gandy

SYNOPSIS

BACKGROUND: By Bureau letter 10/2/58 all offices instructed to re-examine entire Communist Index (CI) on individual case basis with disposition to be considered as (a) potential informant, (b) espionage subject, (c) Security Index subject, (d) retention in CI, and (e) removal from CI. Program involves 17,000 individuals, 4397 of whom are in New York Division. Deadline of October 15, 1959, set.

DETAILS: New York inspection reflects that as of 4/10/59 office closed 1660 cases, had 1064 pending and 1673 remained to be opened, for a completion of 38% of the program in the first six months.

Out of these cases no informants or potential informants have been developed, no espionage cases opened, and no subjects placed on Security Index as a result of program. Five subjects were found to be employed at key facilities or by classified contractors, four subjects required additional dissemination, 52 cases referred to other offices, 30 subjects found deceased; 26 subjects were not located and cases closed. To obtain these results, New York estimates office expended 2,735 agent workdays from inception of program to 3/31/59.

Assistant Director Belmont feels that value of program cannot be measured in terms of statistics. Program based on absolute necessity for Bureau to have intelligence information in subversive field. Reduction of program would reduce penetration of subversive field and cripple effectiveness in meeting threat.

On a field-wide basis, there have been 15 informants or potential informants developed, 30 subjects returned to Security Index, 50 found employed at key facilities, and 13 in other sensitive employments.

Inspector feels that neither statistics nor intangible factors realized justify expenditure of manpower in New York Office. Agents could be put to more productive use on other work such as identification of Communist Party (CP) members. Of current CP membership of 2282 persons, they

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/21/82 BY SP5 C/ajg

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REC-29 100-958086-2617

ENCLOSURE

JEM:wmmj (6)
1 - Mr. Belmont

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2 MAY 26 1959

Bureau letter 75/11/59
Serves to advise NY of results of ex. Conf. Jan 5/11/59

TWO

Memo for Mr. Tolson
Re: Security Investigations of
Individuals -- Communist Index

New York Office has been able to positively identify only 1059 and tentatively identify 43 more.

RECOMMENDATION:

That revised Communist Index Program in New York be discontinued and the manpower utilized be reassigned to more productive security work.

ADDENDUM (QT:mas) The Executives Conference of 5/13/59, consisting of Messrs. Tolson, DeLoach, McGuire, Holloman, Belmont, Clayton, Evans, Bowles, Mohr, Parsons and Tamm, unanimously recommends that this program not be discontinued but continued to operate in the New York Field Division until its completion.

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Memo for Mr. Tolson
Re: Security Investigations of
Individuals -- Communist Index

DETAILS

A Communist Index (CI) is maintained in each field office representing those persons who, in the light of ever changing conditions, should be continually borne in mind from the standpoint of the security of the country with a view to possible investigation, interrogation, or action under the Security Index (SI) Program. The CI serves as a repository of names of individuals having sympathy for or affiliation with the Communist Party or other basic revolutionary group but insufficient justification for inclusion in SI.

The CI has been used extensively as a source of names to be considered for interview under various informant programs. In addition when information is received concerning any individual on CI, this information is considered in light of that already in file and determination made as to whether case should be reopened for further investigation.

By letter 10/2/58 all offices were instructed to re-examine entire CI on individual case basis with disposition to be considered as (a) potential informant, (b) espionage subject, (c) SI subject, (d) retention in CI, (e) removal from CI. Program involves 17,000 individuals, 4397 of whom are in New York Division. Deadline of October 15, 1959, set for all offices and New York request for extension disapproved.

Minimum investigative steps were listed as (a) review file and references, (b) contact informants and sources, (c) determine residence and employment and make dissemination when employed in key facilities and by classified contractors, (d) resolve unexplained cessation of activity, (e) consider interview, (f) secure current description. Statistics to be maintained by all offices.

Reasons for program given as (a) CI presents excellent informant potential, (b) CP disorganized and subjects in CI most likely to be recontacted and recruited, (c) broader intelligence coverage essential, (d) large group of followers of CP line may be potentially dangerous although not recorded members of CP, (e) speed return to SI of those qualified, (f) keep abreast of possible Soviet covert use of U. S. Nationals with Marxist background. Mr. Belmont states primary purpose is development of intelligence data concerning individuals and possible inclusion of their names on SI.

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Memo for Mr. Tolson
Re: Security Investigations of
Individuals -- Communist Index

New York inspection reveals that as of 4/10/59 the office had closed 1660 cases, had 1064 pending and 1673 remained to be opened. Thus, office has completed 38% of program in six months. Out of these cases no informants or potential informants have been developed, no espionage cases opened and no subjects have been placed on SI as result of program. Five subjects were found to be employed at key facilities or by classified contractors, four subjects required additional dissemination, 52 cases referred to other offices, 30 subjects found deceased, 26 subjects were not located and cases closed.

To obtain these results, New York estimates office has expended 2,735 agent workdays on program since inception until 3/31/59. These pending CI cases make up 29% of the total case load of 9 squads of the office. Staff Supervisor of section handling majority of cases advised that in event program discontinued agents involved could be used effectively on informant development, increased surveillance coverage of meetings, intensification of investigations leading toward development of productive anonymous sources. In addition 8 men could be released entirely. SAC and ASAC feel, however, that it is too early to judge program and it should be continued as systematic review to determine whereabouts and any recent subversive activity.

Mr. Belmont states program not to supplant any existing program but to supplement such. Basic function is to look into this reservoir of persons whose prior subversive inclinations are known so that we may be sure not to overlook any presently dangerous individuals included therein and to bring our knowledge concerning this group of individuals up to date. This program establishes a systematic basis to accomplish in a year's time what each office should be doing in this field. In spite of New York's progress, field-wide there have been 15 informants or potential informants developed, 30 subjects returned to SI, 50 found employed at key facilities and 13 in other sensitive employments.

Mr. Belmont states that it is not these statistics, impressive as they are, which demonstrate the value of the program. It is based on the absolute necessity for the Bureau to have intelligence information in subversive field. Each case examined adds to store of knowledge of group of individuals, who next to SI subjects, present greatest potential threat to internal security. Reduction of program would reduce penetration of subversive field and cripple effectiveness in meeting threat.

Memo for Mr. Tolson
Re: Security Investigations of
Individuals -- Communist Index

Inspector feels that neither statistics nor intangible factors realized justify expenditure of manpower in New York Office. No informants, potential informants, or espionage cases have been developed. Verification of present addresses certainly doesn't appear to be worth while as a one-shot proposition and certainly isn't on a continuing basis as is the case with Security Index subjects. In fact, the Bureau's planning concerning individuals on the CI does not even provide for duplicate listing at Bureau or relocation sites in event of destruction of headquarters city of field offices in time of war.

When considering the results obtained from this program and the personnel required in New York, it is believed that these agents could be put to more productive use on other work, particularly identification of Communist Party members. This is particularly so when you consider that of an estimated current Communist Party membership of 2282 persons, the office has been able to positively identify only 1059 and tentatively identify 43 more. It is recognized that 2963 individuals are on the Security Index of the New York Office as result of present or past Communist Party activity and New York feels that they have a large percentage of the estimated current membership on the Security Index. Fact remains, however, that less than 50% of estimated Communist Party members have been positively identified as being current members and it is essential that this be done to strengthen case against them individually and to insure that we don't drop them from the Security Index after the prescribed period of time passes without actual evidence of membership or activity. Staff Supervisor advised he could effectively use men on operations which would effect identification of these Party members.

442350

4-29-59

MSB
ASSISTANT DIRECTOR A. H. BELMONT
DOMESTIC INTELLIGENCE DIVISION:

The program initiated by Bureau letter to Albany dated 10-2-58, copies to all offices, directing re-examination of the cases on the Communist Index, was and is designed to intensify our knowledge of and penetration into the subversive (particularly communist) field. The present international tensions and the dissension within the ranks of Communist Party leadership make it particularly necessary that at this time we be thoroughly informed concerning the subversive sympathies and activities of any individual having such tendencies. Inasmuch as the Communist Index contains primarily the names of individuals removed from the Security Index at a comparatively recent time, these individuals represent a group whose sympathies were definitely known to have been with communism in the recent past and whose present attitude must be known if we are to perform our functions in the security field.

The program was, therefore, initiated and should be continued to further our discharge of our over-all responsibilities. It was not intended to supplant any existing program, but to supplement such programs. It performs several functions, the basic one of which is to look into this reservoir of persons whose prior subversive inclinations are known so that we may be sure not to overlook any presently dangerous individuals included therein and to bring our knowledge concerning this group of individuals up to date.

As an adjunct of the development of this information, various other advantages can be and are being obtained. Even in the most unfavorable light cast on the New York Office's progress in this program, New York has purged its Communist Index of 30 individuals determined to be no longer living and has forwarded information to other offices in 52 cases where the individuals have been found to be living elsewhere. New York has also learned of key facility or other sensitive employment requiring additional dissemination of information by us in 9 instances. This, of course, is in addition to ascertaining

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ENCLOSURE

current residence and employment addresses and information concerning the subject of each case opened under the program. Therefore, even from a cold statistical viewpoint, which is not by any means a true measure of the purpose or progress of the program, results have been obtained in New York. It should also be noted that other offices have achieved more from a statistical viewpoint than New York has. Reports from the field of the progress of the program in the three-month period ending 4-15-59 indicate the following:

Fifteen security informants or PSIs developed.

Thirty subjects returned to the Security Index.

Fifty subjects found to be employed at key facilities.

Thirteen subjects found to be employed in other sensitive employments.

New York has not attributed to this program any cases in which either PSIs are under development or any cases in which Communist Index subjects have been restored to the Security Index. It is to be noted, however, that in at least one instance authority to develop as a PSI one individual who previously was on the Security Index, was granted in 4-59. Further, a check of cases recently added to the Security Index from New York (not by any means embodying all such cases) has revealed at least five cases of individuals previously on the Security Index who had been cancelled therefrom and have been restored thereto since the beginning of this program. Even though these cases may not be directly attributable to the program as such, they indicate that there is a reservoir of individuals in the Communist Index who should be on the Security Index and thus, we must examine every such case to be sure that no potentially dangerous individuals are overlooked.

But it is not these statistics, impressive though they are, which demonstrate the value of the program. It is based on the absolute necessity for the Bureau to have intelligence information in the subversive field. Each case examined (and it is to be noted that complete investigations are not required in each case) adds to our store of knowledge of the group of

442352

individuals who, next to the Security Index subjects, presents the greatest potential threat to internal security. To eliminate or cut down this program, whether in headquarters cities or in resident agencies, could have only one result and that the undesirable one of reducing our penetration of the subversive field and crippling our effectiveness in meeting the threat to internal security.

I, therefore, feel that the abandonment of this program at this midway point would be a mistake. It establishes a systematic basis to accomplish within a year's time what each office should be doing in this field, and supplements our other investigative techniques to assure thorough penetration into the subversive problem. The program should be continued.

9/11

442353

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: July 15, 1959

FROM : Mr. A. H. Belmont *ash*

SUBJECT: **DISTRIBUTION OF COMMUNISTS
IN ECONOMIC LIFE**

Tolson	_____
Belmont	_____
DeLoach	_____
McGuire	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

Reference is made to memorandum from Mr. Roach to me dated 7/10/59 captioned "Industrial Security Program" (attached).

In connection with Mr. Tolson's inquiry of Mr. Sizoo as to details of a statement previously made by you regarding the percentage of communists employed in basic industry, it is noted that in your appearance before the Senate Subcommittee on Appropriations regarding the 1951 appropriation estimates for the FBI on 2/3/50 you stated that 48 per cent of the membership of the Communist Party was in the basic industry of this country. This percentage represented an estimate based on the best available evidence, including statements of Party leaders concerning employment of communists.

In 10/53, we had the field conduct a survey as to the employment of the then 21,739 individuals included in the Security Index whose subversive affiliations or associations were in communist or other Marxist-Leninist organizations or front groups. It was found at that time that 9,992 or approximately 46 per cent of such individuals were employed in the industrial, manufacturing and trade fields. The term "basic industry" was not utilized in this survey as that term is subject to varying interpretations as applied to specific industrial employments. In a time of war or emergency, it could possibly be argued that any industry is a basic one.

For information, key facilities are facilities so designated by the Department of Defense and represent those lines of endeavor, including products and services, which are of vital importance to the national defense. There are currently approximately 3,400 facilities so listed by Defense.

ACTION:

ENCLOSURE

If you agree, we will direct the field to conduct a survey as to the character of employment of individuals presently included on the Security Index because of communist or other Marxist-Leninist affiliation.

Enclosure
100-358086

- 1 - Mr. Belmont
- 1 - Mr. Bland
- 1 - Mr. Baggardner
- 1 - Mr. Day
- 1 - Mr. Rushing

TDR/pmt (6)

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62 AUG 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT *W*

DATE: July 10, 1959

FROM : R. R. ROACH *R*

- Tolson
- Belmont
- DeLoach
- McGuire
- Mohr
- Parsons
- Rosen
- Tamm
- Trotter
- W.C. Sullivan
- Tele. Room
- Holloman
- Gandy

SUBJECT: INDUSTRIAL SECURITY PROGRAM

The attached Washington Capital News Service release states that Representative Scherer of Ohio, in a speech before the House of Representatives on July 8, charged that there are at least 2,000 potential saboteurs now working in defense plants in this country. The news release states that Scherer told a reporter that his information had come in "off the record" statements from the Defense Department, which was supplied the data by security agencies of the Government. The Director inquired, "What do we know about this?"

This statement concerning 2,000 "saboteurs" came to our attention earlier this year when it appeared in Victor Riesel's January 19, 1959, column in the "New York Mirror" which reported the appearance of five Defense officials before the House Committee on Un-American Activities. Riesel alleged that "top Pentagon counterintelligence and security officers" said there were 2,000 known saboteurs in industry and urged support of the "Defense Facilities Protection Act" which had been introduced in Congress to authorize exclusion of dangerous individuals from vital facilities. The committee hearing was considering communist penetration of communications facilities and the transcript was examined and reflected no statement whatever concerning 2,000 saboteurs or communists. In addition, we talked with Mr. Robert Applegate, Director of the Security Programs Division, Office of the Secretary of Defense, who was one of the officials who had testified. Applegate said that none of the Defense officials had made any statement which could have resulted in Riesel's allegation, but that this figure has reappeared periodically in the past and he has no idea of its source.

At the present time, 384 of the persons scheduled for apprehension in event of emergency are employed in "key facilities" considered vital by Defense. In each case, we have furnished the responsible military service with the results of our investigation, and we submit an investigative report concerning each at six-month intervals as long as they continue employment in a "key facility"

ENCLOSURE

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- 1-Mr. Belmont
- 1-Mr. Rushing
- 1-Mr. Day
- 1-Liatson

memo Belmont To Bureau 7/15/59 KDR

EX-107
REC-112

100-358086-2635

10 JUL 24 1959

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Memorandum from Mr. Roach to Mr. Belmont
RE: INDUSTRIAL SECURITY PROGRAM

Under its screening program, Defense has been removing these persons from access to classified data but cannot remove them from employment in nonclassified areas of the same facilities. It is this screening program which Defense is trying to revise as a result of the Greene decision by the Supreme Court on June 29.

Although the allegation concerning 2,000 "potential saboteurs" may recur in future statements by members of Congress, there is no factual basis for it.

ACTION:

Submitted in response to the Director's inquiry.

Roach *[Signature]* *[Signature]*

Mr. Tolson *[initials]*
 Mr. Belmont *[initials]*
 Mr. DeLoach *[initials]*
 Mr. McGuire _____
 Mr. Mohr _____
 Mr. Parsons _____
 Mr. Rosen _____
 Mr. Tamm _____
 Mr. Trotter _____
 Mr. W.C. Sullivan *[initials]*
 Tele. Room _____
 Mr. Holloman _____
 Miss Gandy _____

What do we know about this?

UPI-170

(SECURITY)

REP. GORDON H. SCHERER (R-OHIO) CHARGED TODAY IN A HOUSE SPEECH THAT THERE ARE AT LEAST 2,000 POTENTIAL SABOTEURS NOW WORKING IN DEFENSE PLANTS IN THIS COUNTRY.

SCHERER TOLD A REPORTER LATER HIS INFORMATION CAME IN OFF-THE-RECORD STATEMENTS FROM THE DEFENSE DEPARTMENT, WHICH WAS SUPPLIED THE DATA BY SECURITY AGENCIES OF THE GOVERNMENT.

SCHERER SAID BECAUSE OF A RECENT SUPREME COURT DECISION, THE GOVERNMENT "AS OF THIS MOMENT" IS POWERLESS TO PREVENT A KNOWN COMMUNIST OR POTENTIAL SABOTEUR WORKING IN A DEFENSE PLANT FROM HAVING ACCESS TO CLASSIFIED MILITARY INFORMATION.

HE SHARPLY ATTACKED THE COURT'S JUNE 29 DECISION IN THE WILLIAM L. GREENE CASE, WHICH, IN EFFECT, STRUCK DOWN THE GOVERNMENT'S INDUSTRIAL SECURITY PROGRAM COVERING SOME 3,000,000 DEFENSE PLANT WORKERS.

THE OHIO REPUBLICAN CLAIMED THE GREENE DECISION, IF ALLOWED TO STAND, WILL "WRECK THE SECURITY PROGRAM OF THIS COUNTRY."

"IN FACT," HE SAID, "WE MIGHT AS WELL SEND DIRECTLY TO THE ARCHIVES OF THE KREMLIN EVERY WEAPON SECRET IN THE PENTAGON."

SCHERER, IN HIS CLOSING-HOUR ADDRESS TO A NEAR VACANT HOUSE CHAMBER, SAID IT IS "IMMEDIATELY IMPERATIVE" THAT LEGISLATION BE ENACTED GIVING THE DEFENSE DEPARTMENT SPECIFIC AUTHORITY TO REQUIRE WORKERS IN DEFENSE PLANTS BE SCREENED FOR SECURITY PURPOSES.

7/8 --JD520P

*memo Roach
to Belmont
7/10/59
Lad*

[Signature]

ENCLOSURE

REC-33

100-358086-2655

10 JUL 24 1959

1 - Mr. Rushing

SAC, Birmingham

July 29, 1959

Director, FBI (100-358086)

SECURITY INDEX - GENK

SECURITY INVESTIGATIONS OF INDIVIDUALS
COMMUNIST INDEX

ReBulet dated October 2, 1958, to Albany,
copies for all offices.

Quarterly report due at Bureau by July 15,
1959, has not been received to date. Handle immediately.

2 - Detroit
2 - Richmond

TDR/pmt
(8)

gmk

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JUL 30 1959

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10 JUL 30 1959

- Tolson _____
- Belmont _____
- DeLoach _____
- McGuire _____
- Mohr _____
- Parsons _____
- Rosen _____
- Tamm _____
- Trotter _____
- W.C. Sullivan _____
- Tele. Room _____
- Holloman _____
- Gandy _____

MAIL ROOM TELETYPE UNIT

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont

DATE: July 30, 1959

FROM : Mr. J. F. Bland

FILE PROCESSED FOR RELEASE
IN CIVIL DISCOVERY
DATE 6-8-78
SEE BUFILE 62-117455

Tolson	_____
Belmont	_____
DeLoach	_____
McGuire	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

SUBJECT: COMMUNIST INDEX

Security Index

The Communist Index (CI) was designed to represent a list of individuals who should, in the light of ever-changing conditions, be continually borne in mind with a view toward possible investigation under the Security Index (SI) program. Bulet of 10/2/58 issued instructions to the field to re-examine cases of individuals whose names are included in the CI, the re-examination to be conducted in equal monthly installments over a 12-month period.

Quarterly reports were required of the field in connection with this program and reports received from the field for the period from 4/15 to 7/15/59 have been reviewed and they show the following statistical results:

- 1) The names of 32 individuals have been added to the SI based on investigations conducted over this period. (During the previous quarter, the names of 30 individuals were so added.)
- 2) The field has under development eight security informants or potential security informants. (For the period ending 4/15/59, this figure was 15.)
- 3) 66 individuals were found to be employed in key facilities and/or sensitive positions, requiring additional investigation or dissemination on our part. (For the period ending 4/15/59, this figure was 63.)

Rushing

100-358086-2648

At the inception of the program, there were 17,783 names included in the CI. Reviews during the past nine months have resulted in the removal of 4,768 names, with the CI containing at present 13,015 names. These 4,768 individuals are either deceased, their names returned to the SI, or otherwise do not qualify for inclusion in the CI. Continuation of the program and consequent further elimination of unqualified individuals from the CI will assure that the CI contains the names only of individuals to be properly included therein.

100-358086

- 1 - Mr. Belmont
- 1 - Mr. Bland
- 1 - Mr. Rushing

REC-77
EX-131

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~~100-358086-168~~

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53 AUG 4 1959

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62 AUG 18 1959

Memorandum for Mr. Belmont
Re: COMMUNIST INDEX
100-358086

In addition to the above statistical results, other advantages have resulted from the program. Cooperative interviews have been obtained in many instances. Each case opened results in the obtaining of, as a minimum, current residence and employment, thus bringing up to date our information concerning the subject's activities. For example, during this past quarter, the New York Office handled 1,369 CI cases. Of this number, it was found that 557 of the individuals had changed either residence or employment or both with an additional 46 individuals having moved to other field office territories, necessitating changes in office of origin.

40%

OBSERVATIONS:

The results being obtained from this program justify the time and effort necessarily involved in re-examination of the CI. This Index lists individuals who, next to SI subjects, present the greatest potential threat to the internal security.

ACTION:

This program will be followed and you will be advised of the final results obtained upon completion of the program on 10/15/59.

ged *YPR* *A* *Keypc*
7/31

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